



# APPROPRIATIONS UPDATE

HOUSE COMMITTEE ON THE BUDGET  
Majority Caucus

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## EMERGENCY SUPPLEMENTAL APPROPRIATIONS IN RESPONSE TO TERRORIST ATTACKS ON THE UNITED STATES (H.R. 2888)

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### SUMMARY

Reflecting the unity of the United States Congress, and its unconditional support for the President in the current national crisis, the House this morning passed H.R. 2888, providing emergency supplemental appropriations in fiscal year 2001 in response to the recent terrorist attacks on the United States. The bill immediately appropriates and makes available for obligation \$20 billion to an account from which the

President has broad discretion to transfer to the accounts he deems necessary. The entire \$20 billion is designated as an emergency; therefore it was not subject to a point of order under the Congressional Budget Act and will not trigger a sequester under the Deficit Control Act. The bill also permits the obligation of another \$20 billion upon the enactment of a subsequent appropriations act.

### COST ESTIMATES

H.R. 2888 appropriates \$20 billion in new discretionary budget authority to the Emergency Response Fund. The legislation states that another \$20 billion can be obligated if enacted as part of a subsequent bill. The additional \$20 billion is not treated as budget authority for the purposes of the congressional budget process because it does not provide the President authority to incur obligations in this amount until a subsequent appropriations bill is enacted. The Congressional Budget Office has not completed an estimate on the bill, but it is expected to have a negligible effect on the outlays, and hence the budget surplus, in the waning days of fiscal year 2001, which ends on 30 September 2001. The

bill is likely to increase outlays between \$8 billion and \$12 billion in fiscal year 2002. As discussed below, the bill gives the President broad authority on the actual use of these funds. Under the authority provided by this bill, the entire appropriation could be directed toward, but would not be limited to, the following activities:

- Federal, State, and local preparedness.
- Investigation and prosecution of terrorism.
- Repairing public facilities.
- Repairing transit systems.
- Supporting national security.

### EMERGENCY DESIGNATIONS

The entire \$20 billion directed to the Emergency Response Fund is designated by the Congress as an emergency (as is the additional \$20 billion to be made available by a later bill). The President will designate the entire amount as an emergency in his budget request. Under existing law, if the President has designated the same amount as an emergency, the bill will trigger an automatic increase the budget aggregates and the Appropriations Committee's 302(a) allocations for fiscal year

2001, which were revised as part of the fiscal year 2002 budget resolution (H.Con.Res. 83). Similarly, the enactment of this bill will trigger an automatic increase in the discretionary spending limits set forth in the Deficit Control Act. Hence, the bill will not breach the appropriate levels in the budget resolution and the discretionary spending limits, was not subject to a point of order under the Congressional Budget Act, and will not trigger a sequester.

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This document was prepared by the majority staff of the House Committee on the Budget. It has not been approved by the full committee and may not reflect the views of all the committee's members.

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To provide some perspective on the emergency designation, this bill provides the largest emergency-designated appropriation for a single emergency except Operation Desert

Storm/Desert Shield in the 101<sup>st</sup> and 102<sup>d</sup> Congresses. That measure totaled approximately \$56.5 billion, but was largely offset through contributions from allied nations.

### **PRESIDENTIAL DISCRETION**

This bill gives the President broad discretion as to the use of these funds. The funds need only be to “provide assistance of the victims of attacks, and deal with other consequences of the attacks . . . .” Nevertheless, the bill does impose the following restrictions on the use of these funds:

The funds may only be used for authorized activities (other than those related to intelligence, foreign aid, and the State Department).

The President must consult with the chairmen and ranking minority members of the Appropriations Committees before the funds can be transferred to the appropriate accounts.

The President must submit an amended budget request to the Appropriations Committees.

The Office of Management and Budget [OMB] must

provide quarterly reports to the Appropriations Committees on the actual use of these funds.

For \$10 billion of the \$40 billion, OMB must first submit a plan to the Appropriations Committees for the use of these funds for each appropriate agency.

The President is required to submit a request designating the entire \$40 billion as an emergency.

Additionally, one-half of the funds are to be directed to assistance-related activities in New York.

Although H.R. 2888 does not provide an open-ended appropriation as initially suggested by the administration, the President has indicated he will sign the bill. The Chairman of the House Committee on the Budget voted in favor of the bill.

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Prepared by ..... Majority Staff  
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